

A weekly update of energy prices and issues to help leaders assess energy trends throughout the year.

Media Excerpts: A snapshot of state and national energy issues*

Kenton schools cut electric bills by using natural lighting: The sun. The upside down window blinds at Caywood Elementary School aren't a design flaw, but rather, an energy-efficient technique that helped save the school \$35,000 in just six months. For years, energy costs in Kentucky have been among the lowest in the nation while energy consumption has been among the highest. Last year, public schools and colleges in the state's two most populated counties, Jefferson and Fayette, had to pay a combined \$2.5 million more for energy -- about the cost of 75 teacher salaries. The Kenton County school district decided to get proactive by dimming and often even turning off the electric lights at two new schools -- Caywood in Edgewood and Twenhofel Middle School in Independence. Electricity was largely replaced by a practice known as daylighting, in which natural light from the sun is redirected toward the ceiling in a controlled way to brighten entire classrooms without glare. "It's a lot easier to see things," said Sarah Herzog, a sixth-grader at Twenhofel. ("Kenton schools cut electric bills by using natural lighting: The sun," *Herald Leader*, 5-28-06)

PSC lets LG&E withdraw from Midwest grid operator. Louisville Gas & Electric yesterday got state approval to pull out of an organization that oversees Midwestern power transmission grids. LG&E had said membership in the organization was too expensive. LG&E's sister company, Kentucky Utilities, also got approval from the state Public Service Commission to drop the Midwest Independent Transmission System Operator. The PSC agreed with the utilities' argument that leaving the operator would save between \$4 million and \$13 million annually. The PSC said the Midwest ISO offered a study showing the utilities would do better staying with the organization. Exiting the Midwest ISO will have no immediate effect on consumers' electric rates, but the utilities will have to account for the savings when they file their next rate change request. ("PSC lets LG&E withdraw from Midwest grid operator," *Courier-Journal*, 6-1-06)

Stealing power line copper can kill you. The electrocution of a Bell County man might be an example of the recent trend of copper thieves risking their lives to earn a penny. David Avant, 20, of Middlesboro, was found among live wires near a utility pole that had been cut down. Avant's death on May 21 was consistent with electrocution, Bell County Deputy Coroner Bill Bisceglia said. Officials are investigating whether Avant and two others injured that day were trying to steal copper from the utility line or transformer for quick cash. In Bell County, copper can fetch \$1.50 to \$1.75 a pound at junk yards or recycling plants, said Bell County Deputy Sheriff Mike Cooper. And high-voltage electricity lines can have several pounds of copper per foot, making for a dangerous combination. ("Stealing power line copper can kill you," *Herald Leader*, 5-30-06)

OPEC nears output decision; cut unlikely despite urgings from Venezuela. Major oil-producing countries are set to keep crude output unchanged at an OPEC meeting today despite a renewed call by Venezuela to cut production. Some members hinted at the possibility of trimming supplies down the road. Meanwhile, oil prices ended moderately lower in the United States yesterday after selling off earlier on hopes of a diplomatic solution to the Iran nuclear standoff. On the eve of a meeting of the Organization of Petroleum Exporting Countries, Venezuelan Oil Minister Rafael Ramirez said reducing output is justified because global markets are well supplied. He said geopolitical uncertainty is causing high oil prices. While many OPEC members would agree that geopolitics -- as well as refinery bottlenecks and investor speculation -- have played a major role in pushing energy costs higher, they do not want to risk exacerbating the situation by cutting output. The political backlash likely would be considerable and, economically speaking, the move could backfire against OPEC if higher prices led to reduced demand, analysts said. ("OPEC nears output decision," *Courier-Journal*, 6-1-06)

IRS certifies several Toyota and Ford hybrid vehicles for tax credit. The tax credit amount could range from \$250 to \$3,400 depending on the fuel economy and the weight. If you buy more than one eligible hybrid vehicle, you can get a tax credit for each vehicle. A complete list of vehicles and tax credits can be found at the [ASE web site](#). ("IRS certifies several Toyota and Ford hybrid vehicles for tax credit," *Alliance to Save Energy*, 5-31-06)

Ethanol industry reaches milestone of 100 operating plants. It may be no more meaningful than watching your odometer roll over to a nice even number, but the ethanol industry couldn't help noting in late May that the number of operating ethanol plants had reached 100. Frontier Ethanol, LLC, a subsidiary of The Broin Companies, earned the honor when it began operating a plant in Iowa that will produce 60 million gallons of ethanol per year. According to the Renewable Fuels Association (RFA), the 100 plants can produce more than 4.7 billion gallons of ethanol fuel each year. The RFA says another 33 plants are under construction, while 8 are being expanded, to yield an additional 2 billion gallons in annual ethanol production. ("Ethanol Industry reaches milestone of 100 operating plants," *Energy Efficiency and Renewable Energy*, 5-31-06)

Department of Energy prepares for hurricane season. The U.S. Department of Energy (DOE) Director of the Office of Electricity Delivery and Energy Reliability (OE) Kevin Kolevar today outlined a number of steps that the department is taking to prepare for hurricane season in the United States. Last year, Hurricanes Katrina and Rita knocked out electricity to a large portion of the Gulf Coast and damaged a number of oil and gas recovery platforms in the Gulf of Mexico and refineries along the shore. "Electricity and fuel are necessary to sustain the public's health and grow the nation's economy. ("Department of Energy prepares for hurricane season," *Energy Central*, 5-31-06)

These are media summaries. Please consult the source directly to ensure the accuracy of the information presented. Underlined titles are links to online articles in their entirety.



Kentucky Retail Fuel Prices (Dollars per gallon)

Product	05/31/06	05/24/06	05/17/06	05/10/06	Year Ago
Gasoline (State avg.)	2.705	2.711	2.808	2.747	1.971
Ashland	2.717	2.774	2.866	2.803	1.962
Covington	2.788	2.783	2.879	2.824	2.023
Lexington	2.689	2.674	2.817	2.706	1.948
Louisville	2.796	2.709	2.831	2.767	1.996
Owensboro	2.596	2.621	2.677	2.602	1.881
Diesel (State avg.)	2.790	2.797	2.831	2.795	2.103
Ashland	2.800	2.794	2.827	2.796	2.124
Covington	2.810	2.847	2.873	2.857	2.166
Lexington	2.799	2.805	2.870	2.791	2.109
Louisville	2.793	2.793	2.816	2.780	2.126
Owensboro	2.755	2.797	2.786	2.809	2.099

Note: The record high average price for gasoline in Kentucky is \$3.049 and occurred on Sept. 3, 2005.

Source: Gasoline (unleaded regular) & Diesel: National AAA, <http://www.fuelgaugereport.com/KYavg.asp>

Wholesale Fuel Prices

Spot Prices	05/31/06	05/24/06	05/17/06	05/10/06	Year Ago
Crude Oil (Dollars per barrel)	71.29	69.71	68.70	72.14	54.61
West Texas Intermediate, fob					
Natural Gas (Dollars per MMBtu)	5.990	6.010	6.080	6.520	6.370
Henry-Hub					

Source: Oilenergy.com

Futures		June-06	July-06	Aug-06
Crude Oil (Dollars per barrel)	05/31/06	-	71.29	72.29
Light Sweet Crude Oil	05/24/06	-	69.86	70.61
	05/17/06	68.69	69.42	70.33
Natural Gas (Dollars per MMBtu)	05/31/06	-	6.384	6.621
Henry-Hub	05/24/06	5.964	6.170	6.405
	05/17/06	6.129	6.384	6.749
Propane (Cents per gallon)	05/31/06	-	104.70	105.00
	05/24/06	104.50	104.50	104.50
	05/17/06	102.00	102.50	102.75
Coal (Dollars per ton)	05/26/06	50.50	-	-
Central Appalachian	05/19/06	50.25	-	-
	05/12/06	51.50	-	-

Source: [NYMEX closing price](#) and [EIA Coal Futures](#)

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